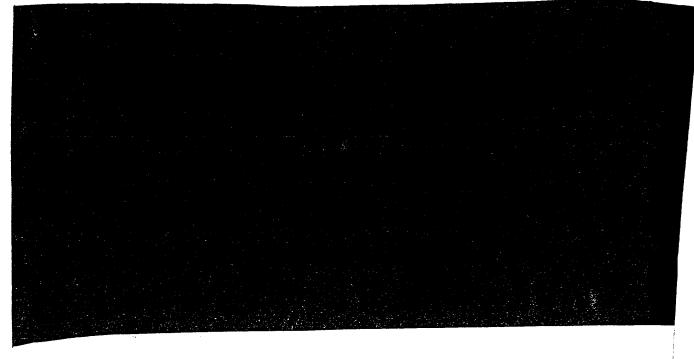
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3. ISRAEL-US: DEFENSE MINISTER RABIN TO VISIT

WHILE IN WASHINGTON NEXT WEEK, DEFENSE MINISTER RABIN WILL TRY

PAGE 6 RUEATIA 9156 TO RETURN TO SHORE UP ISRAEL'S DEFENSE INDUSTRIES BY URGING MORE JOINT WEAPONS DEVELOPMENT PROGRAMS WITH THE US AND INCREASED US MILITARY PURCHASES FROM ISRAEL. HE ALSO WILL SEEK ASSURANCES THAT US MILITARY GRANT AID TO ISRAEL WILL REMAIN AT THE CURRENT ANNUAL LEVEL OF \$1.8 BILLION.

COMMENT: RABIN SPEARHEADED THE EFFORT TO CANCEL THE LAVI FIGHTER AIRCRAFT PROJECT AND WANTS TO MINIMIZE THE DAMAGE TO <u>ISRAELI</u> HIGH-TECHNOLOGY INDUSTRY FROM THE LOSS OF MORE THAN \$200 MILLION ANNUALLY IN LAVI-RELATED CONTRACTS. HE HOPES TO ACQUIRE SUBSTANTIAL US FUNDING THROUGH PARTICIPATION IN <u>SDI</u> TO DEVELOP <u>ISRAEL</u>'S ARROW ANTITACTICAL BALLISTIC MISSILE. <u>ISRAEL</u> LAST MONTH SECURED GENEROUS TERMS FOR ITS PENDING PURCHASE OF 75 F-16 C/D FIGHTER AIRCRAFT, AND RABIN WANTS EQUALLY FAVORABLE TERMS FOR A PLANNED PURCHASE OF AH-64 APACHE ATTACK HELICOPTERS. HE WILL TRY TO MAXIMIZE OFFSETS--STIPULATIONS REQUIRING US PURCHASES FROM OR CONTRACTS WITH <u>ISRAELI</u> FIRMS--ASSOCIATED WITH THESE TWO MAJOR PURCHASES TO INCREASE THE WORKLOAD FOR HIS COUNTRY'S AILING DEFENSE INDUSTRIES.

11 Dec 87



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